
From: Longo, David (FTA)
To: Rogoff, Peter (FTA); McMillan, Therese (FTA); Carter, Dorval (FTA); Welbes, Matt (FTA)
CC: Biehl, Scott (FTA); Rogers, Leslie (FTA); Carranza, Edward (FTA)
Sent: 1/4/2010 4:20:33 AM
Subject: Honolulu Advertiser - Honolulu rail behind schedule, with construction start unclear; Construction hasn't started — and it's unclear when it will

FYI

Sunday, January 3

Honolulu rail behind schedule, with construction start unclear; Construction hasn't started — and it's unclear when it will

By: Sean Hao, Honolulu Advertiser

Construction on Honolulu's planned \$5.5 billion elevated train was to have begun in 2009. It didn't.

Now the city has to sort out whether this initial delay is a minor setback or a sign that the state's biggest public works project may be in trouble.

The latest challenge for the city is getting federal approval of the project's final environmental impact statement — a milestone that must be passed before construction can begin.

That was expected to occur in October, then December. Now it's not likely to happen until February at the earliest and could be delayed even longer. The latest holdup is an intergovernmental agreement on how to mitigate the rail project's impact on historical sites.

In addition, Gov. Linda Lingle recently surprised city officials by announcing plans to conduct a thorough review of the project before deciding if she will accept the environmental impact statement.

Those factors, along with a potential lawsuit from rail opponents, make it difficult to predict when construction of the project will begin.

"I think the soonest we could do groundbreaking at this point would be February at least, and given what's been stated publicly, there's a likelihood it gets pushed back," said City Council chairman Todd Apo.

The delay is a result of the normal project review process and is not an indication the project is in trouble, Apo added. However, critics contend that the delay signals major problems ahead.

"I just don't think this (project) is going to happen," said Cliff Slater, who advocates building a managed elevated highway rather than rail. "I think the thing that is most likely to blow it apart is, a) we really can't afford it, and b) it is just dawning on people the environmental impact of this running along the waterfront and going through town."

For months, Mayor Mufi Hannemann targeted December to begin building the 20-mile East Kapolei to Ala Moana train. In April, Hannemann said the city was on track for a December groundbreaking — a date that was reiterated as recently as Oct. 21.

Then about two weeks later, Hannemann gave a State of the Rail speech in which he said the groundbreaking would be delayed "for at least another month."

Hannemann said more time was needed for other government agencies to review the project. That review is still ongoing, though city officials maintain that the project's final environmental impact statement will be released to the public soon.

Once that occurs, Lingle is expected to review the EIS with two main concerns: whether city officials adequately studied alternatives to elevated rail and whether the city's financial plan for the project is feasible.

Lingle will likely examine the impact that a recent drop in tax collections will have on the rail project. Lower than anticipated tax collections already have forced the city to consider diverting more than \$300 million in federal bus money to pay for the train.

Concerns raised

The review of alternatives follows opposition to elevated rail by those favoring building more roads as well as by environmental groups opposed to the impact the guideway and stations will have on the city's view planes.

Other groups — including the U.S. Environmental Protection Agency, Kamehameha Schools and the American Institute of Architects — also have expressed concerns that the city didn't adequately study at-grade (street-level) rail alternatives.

A recent study of an at-grade Honolulu rail system conducted for the Kamehameha Schools estimated that Honolulu could save \$1.7 billion by building about half of its planned elevated commuter train system at ground level instead.

The city argues that a more expensive, all-elevated train would be safer and have a greater maximum passenger capacity than alternatives.

However, just how much a partially at-grade train would cost and how many people it would carry is unclear. The city eliminated an at-grade light rail option from consideration before conducting the project's draft environmental impact study.

City transportation director Wayne Yoshioka did not return messages seeking comment for this story.

Partial progress

Apo said the city's environmental impact statement adequately explored alternatives.

The Federal Transit Administration "has reviewed this EIS and has not raised that as a concern," Apo said. "I understand the governor and her office has not perhaps seen all of that information yet, but I think once they do, they'll find it's adequately addressed."

During 2009, the city missed key deadlines for the transit project, but also achieved several milestones. Those include the federal

government approving the project's entry into the preliminary engineering phase. During preliminary engineering, the city will finalize management plans, refine the route's alignment, project the costs and further identify benefits and impacts. The city also awarded the biggest transit-related contract yet in October. That \$483 million contract went to Kiewit Pacific to build the first 6.5 miles of guideway from East Kapolei to Leeward Community College. Kiewit expects to employ 250 to 350 people on the project at the peak of activity .

During 2010, the city plans to award several more contracts, including deals to acquire trains, build a train depot and begin construction on the second phase of the guideway, from Leeward Community College to Aloha Stadium. Council member Gary Okino said he was confident that construction of the rail would begin soon.

"It's symbolic, that's part of it, but I think once we break ground, then perhaps a lot of the concerns just go away," Okino said. "It's kind of a psychological barrier. Until we break ground, all these opponents will think they can still stop it."

Additional Facts

Rail deadlines:

The city missed the mayor's stated goal to start construction of its \$5.5 billion train rail in December. Here are other project deadlines that were missed, and key future deadlines.

Deadlines missed:

- Federal Transit Administration approval to enter preliminary engineering, July 1
- FTA record of decision, Oct. 1
- FTA letter of no prejudice, Oct. 2-13
- Start of construction, Dec. 13

Future deadlines:

- Spring 2011, FTA awards Honolulu a grant estimated at \$1.55 billion
- Dec. 24, 2012, opening of rail section from East Kapolei to Waipahu
- March 4, 2019, opening of rail section from East Kapolei to Ala Moana

Contract timeline (some dates tentative):

- October 2009: Awarded Kiewit Pacific a \$483 million contract to build first 6.5 miles of guideway
- January 2010: Awarding of maintenance facility contract (estimated at \$120 million)
- May 2010: Awarding of train vehicle and systems contract (estimated at \$230 million)
- August 2010: Awarding of construction contract to build 3.9 miles of guideway (estimated at \$350 million)

Dave Longo

Deputy Associate Administrator,
Office of Communications and Congressional Affairs
Federal Transit Administration
1200 New Jersey Ave. SE, E57-304
Washington, DC 20590

Tel: 202-366-0608

Fax: 202-366-3472

Mobile: 202-680-9237